

STONNINGTON CONVEYANCING

1602 High Street, Glen Iris VIC 3146
Fax 03 9813 8911; Phone 03 9813 8333
malvern.vic@acgol.com

SUBDIVISION - PROCESS AND COSTS

The Role of the Local Council/Shire

The Council is the most important party in the whole process – in particular, the Planning Section of the Council. If you have not already done so, it is very much in your interests to talk to one of the Planning Officers in the Council and get some preliminary advice as to whether your property is potentially **suitable** for the proposed subdivision and **costs**. Especially if you are looking to develop one or more of the allotments, issues they will look at include amount of total area, street frontage/s available, safe access points to a public road, amount of yard-space and set-backs available to any dwellings, provision of essential services, overlooking and shadowing neighbour issues, etc, etc, etc.

If suitable in principle, and you decide to apply for a Planning Permit, the Council will send out a copy of your proposal to various other authorities (the relevant water and sewer authority, the local electricity and gas infrastructure authority, VIC Roads, Telstra, etc, and possibly neighbours for comment. The Council is then responsible for three of the “approvals” you will need, namely: -

1. Issue of the Planning Permit (usually contains several conditions to be satisfied);
2. Certification of the Final Survey Plan showing exact boundaries & measurements, and
3. Issue of the Statement of Compliance (issued when all conditions in the Planning Permit in 1 above are satisfied).

The conditions in a typical Planning Permit for vacant land subdivision may include ensuring that the new allotments have suitable provisions for services such as drainage, water, sewer, electricity, gas, phone etc. This may involve paying for physical works such as re-locating existing services, increasing drainage capacity, adding pits or new transformers, creating new easements so one block can obtain services over a portion of land from an adjoining piece of land etc.

There will also be financial contributions, including the “Open Space Requirement”, up to 5% of the Site Value (as assessed on your rates notice). For example if seeking to develop a property with a Council assessed Site Value of \$200,000.00, the contribution will be up to \$10,000.00, but *may* be negotiated down in some circumstances. This does not apply to 2 Lot subdivisions unless either or both Lots are capable of further subdivision. In larger subdivisions, an alternative to paying is to “donate:” 5% of the total site by area (must be useable land as a Public Reserve, walkways etc.).

The Surveyor

After you have had a preliminary chat with a Planning Officer at the local Council, if you are going ahead, please let us know. Then, the next thing to do is appoint a surveyor to come out to the land, measure up, and decide on the position for the proposed new boundary with you. The

surveyor may put surveyor's pegs in the ground at that time as a guide, but the exact position may change from proposal stage to final survey. **Please advise us who your surveyor is as soon as possible.**

The Surveyor will then draw up the proposal plan and make the Application for Planning Permit for you. There is a Council Application fee and the surveyor will probably now send an interim account.

A surveyor that we and many of our clients have found very good (and pleasant to deal with) is James Sprott from **Sprott Land Surveys** of 16B Arcade Road, Mont Albert North VIC 3129 Phone 03 9898 9905/0438 989 909 (and fax 03 9898 6569). His e-mail is slsurveys@bigpond.com

When the Planning Permit is issued, the surveyor will advise you of the conditions and guide you through what you need to do to satisfy (or appeal) those conditions. If the project involves complex or a large degree of capital works (e.g. laying new major underground drainage infrastructure), the surveyor may advise you to appoint a “project manager” – often a civil engineer, who will get quotes for, appoint and supervise the earthmoving, location and installation of the new services etc. The surveyor will also advise the “open space” contribution payable (allow 5%), collect & forward the fees.

Lastly, the surveyor will prepare the final “fully certified” copy of the plan of subdivision and forward it to the Council for Council certification and when all conditions from the Planning Permit are satisfied, will obtain the Statement of Compliance from Council.

You can expect the total account for the surveyor’s own fees to be a minimum of \$2,500.00 and for small subdivisions rarely over \$4,000.00, plus all the Council and authorities’ application fees. Large subdivisions and those involving Overlays, or other more complex Planning issues will cost considerably more to the Surveyor.

The Conveyancers

Apart from “monitoring and co-ordinating” the whole of the subdivision process, we also:-

- Prepare and arrange correct signing of the “Application to Register a Plan of Subdivision” document. This document must accompany the original Plan of Subdivision (and the Council’s Statement of Compliance, etc.) to Land Registry
- If you have a mortgage registered on title, we will prepare and arrange for you to you (all owners) to sign a Consent and Production of title Authority authorising and instructing the mortgagee to execute our Application to Register, Produce your Certificate of Title to Land Registry at the appropriate time and to give the Land Registry instructions for delivery of the new titles (usually back to the existing mortgagee). After you have signed the Authority, we will also arrange for your mortgagee to execute the mortgagee consent section of the Application and arrange for your Certificate of Title to be produced
- If you are selling any allotment/s, we will liaise with your selling agent through the process
- We will then calculate the lodgement fees and make the final lodgement of all of the required items described above

- After lodgement and examination the Plan of Subdivision is registered and the new certificates of title issue. If you have a mortgage, they will be sent to your mortgagee; if you do not have a mortgage they will be sent to us

As a guide, our base fee for a Plan of Subdivision file is \$800.00 and if you have a mortgage on the current title we charge an extra \$200.00 for the consent and production of title attendances described above. Larger and/or more complex subdivisions (over 5 lots) are costed individually on hourly rate).

Your lender will also charge a fee for assessing the Application, consenting and producing the title to Land Registry. Most lenders charge in the range \$200.00 - \$450.00. For the 2010/2011 Financial Year, The Land Registry fee is \$889.20 for a fully certified Plan of Subdivision plus \$130.10 per lot above 2 lots (they also charge \$10.00 (!) more if the current title is mortgaged.) and more for multiple Owners Corporations structures.

Lastly, the fees shown above for us do not include GST (the LTO fees do) and file disbursements will be a fresh title search of each "parent title", general file costs and our city agent's lodging fee, a total usually in the vicinity of about \$80.00 to \$150.00.

We are assuming there is no "Section 173 Agreement" imposed by Council and no "Owners Corporation" with Common Property between the Lots - if so, it is a bit more complex (Insurance issues, "Model Rules" or "Special Rules", Limitations on the Owners Corporation and other "Additional Information" required by Land Registry, arranging Calling the Inaugural (first) General Meeting of the new owners, etc.), there will be other costs and we will need to see the surveyor's plan before discussing those additional issues and costs, as there are variables.

Most subdivisions can be costed reliably on the above information. However, as subdivisions can be complex and contain surprises, we must reserve our rights to revert to an hourly rate of \$200.00 per hour plus GST for any unexpected attendances not included as detailed above. Also, before giving you an accurate costing, we would like to see the surveyor's plan - even if it is only a proposal plan (i.e. not yet a fully certified survey).

Hope this Helps!

Should you require any further information please contact Paul Garson or James Tomich.

STONNINGTON CONVEYANCING © 2003-2011

Paul Garson / James Tomich.
Phone 03 9813 8333